

I claim:

- 1        1. A method for sharing risk of loss among a plurality of investment  
2 instrument holders, the method comprising:
  - 3              aggregating premiums to form a loss reduction fund, the premiums at least
  - 4 partially contributed by the plurality of holders;
  - 5              determining losses incurred by the plurality of holders at a predetermined time;
  - 6 and
  - 7              reimbursing at least a portion of the losses incurred by the plurality of holders,  
8 wherein reimbursement to a particular investment instrument holder is at least partially  
9 determined by the loss of the particular holder, with consideration for losses of the  
10 plurality of holders.
- 1        2. A method according to claim 1, wherein reimbursing is from the loss  
2 reduction fund.
- 1        3. A method according to claim 1, wherein reimbursing is from a fund other  
2 than the loss reduction fund.
- 1        4. A method according to claim 1, wherein the premiums are determined as a  
2 percentage of an investment instrument price.
- 1        5. A method according to claim 4, wherein the investment instrument price is  
2 a current share trading price at the time the premiums are aggregated.

1           6.       A method according to claim 1, wherein the investment instruments are  
2 selected from a group including stocks, bonds, futures, options, derivatives, funds and  
3 trusts.

1           7.       A method according to claim 1, wherein the investment instruments are all  
2 within the same or related investment categories.

1           8.       A method according to claim 7, wherein the investment categories include  
2 equity risk.

1           9.       A method according to claim 7, wherein the investment categories include  
2 beta.

1           10.      A method according to claim 7, wherein the investment categories are  
2 selected from a group including Standard Industrial Classification (SIC) codes, North  
3 American Industrial Classification System (NAICS), securities indexes, and HOOVERS  
4 securities sectors.

1           11.      A method according to claim 1, wherein none of the plurality of holders  
2 are reimbursed for a loss that is less than a threshold loss.

1           12.      A method according to claim 11, wherein the portion of the loss that is  
2 reimbursed begins at the threshold loss.

1           13.      A method according to claim 11, wherein the threshold loss is a  
2 percentage value.

1           14. A method according to claim 11, wherein the threshold loss is a dollar  
2 value.

1           15. A method according to claim 1, wherein all of the plurality of holders are  
2 reimbursed for a loss that is less than a threshold loss.

1           16. A method according to claim 15, wherein none of the plurality of holders  
2 are reimbursed for a loss that is greater than the threshold loss.

1           17. A method according to claim 15, wherein the threshold loss is a  
2 percentage value.

1           18. A method according to claim 15, wherein the threshold loss is a dollar  
2 value.

1           19. A method according to claim 1, wherein the plurality of holders  
2 experiencing the largest percentage of loss receive the largest percentage of loss  
3 reimbursement.

1           20. A method according to claim 1, wherein the premiums are a percentage of  
2 the value of the investment instruments at approximately the time that the premiums are  
3 aggregated.

1           21. A method according to claim 1, further comprising creating a pool of a  
2 plurality of loss reduction funds.

1           22. A method according to claim 21, wherein reimbursement to the particular  
2 holder comes from the pool.

1           23. A method according to claim 21, wherein reimbursement to the particular  
2 holder does not come from the pool.

1           24. A method according to claim 21, wherein the predetermined time of one  
2 loss reduction fund is not necessarily the same as the predetermined time of another loss  
3 reduction fund.

1           25. A method according to claim 21, wherein reimbursement to the particular  
2 holder considers both losses correlated to the loss reduction fund of the particular holder,  
3 and losses correlated to the other loss reduction funds in the plurality of funds.

1           26. A method according to claim 1, further comprising allocating risk through  
2 risk capital allocation.

1           27. A method according to claim 1, further comprising redistributing profit.

1           28. A method for sharing risk of loss among a plurality of investment  
2 instrument holders, the method comprising:  
3                 aggregating premiums to form a loss reduction fund, the premiums determined as  
4 a percentage of a current trading price at the time the premiums are aggregated and at  
5 least partially contributed by the plurality of holders;  
6                 determining losses incurred by the plurality of holders at a predetermined time;  
7                 determining a percentage loss threshold; and  
8                 reimbursing the plurality of investment instrument holders from the loss reduction  
9 fund for losses less than the loss threshold.

1           29. A method for sharing risk of loss among a plurality of investment  
2 instrument holders, the method comprising:

3           aggregating premiums to form a loss reduction fund, the premiums determined as  
4 a percentage of a current trading price at the time the premiums are aggregated and at  
5 least partially contributed by the plurality of holders;

6           determining losses incurred by the plurality of holders at a predetermined time;

7           determining a percentage loss threshold; and

8           reimbursing the plurality of investment instrument holders from the loss reduction  
9 fund for losses greater than the loss threshold.

1           30. Computer executable software code transmitted as an information signal,  
2 the code for sharing risk of loss among a plurality of investment instrument holders, the  
3 code comprising:

4           code to aggregate premiums to form a loss reduction fund, the premiums at least  
5 partially contributed by the plurality of holders;

6           code to determine losses incurred by the plurality of holders at a predetermined  
7 time; and

8           code to reimburse at least a portion of the losses incurred by the plurality of  
9 holders, wherein reimbursement to a particular investment instrument holder is at least  
10 partially determined by the loss of the particular holder, with consideration for losses of  
11 the plurality of holders.

1           31. A computer-readable medium having computer executable software code  
2 stored thereon, the code for sharing risk of loss among a plurality of investment  
3 instrument holders, the code comprising:

4           code to aggregate premiums to form a loss reduction fund, the premiums at least  
5 partially contributed by the plurality of holders;

6           code to determine losses incurred by the plurality of holders at a predetermined  
7 time; and

8           code to reimburse at least a portion of the losses incurred by the plurality of  
9 holders, wherein reimbursement to a particular investment instrument holder is at least  
10 partially determined by the loss of the particular holder, with consideration for losses of  
11 the plurality of holders.

1           32. A programmed computer for sharing risk of loss among a plurality of  
2 investment instrument holders, comprising:

3           a memory having at least one region for storing computer executable program  
4 code; and

5           a processor for executing the program code stored in the memory; wherein the  
6 program code comprises:

7           code to aggregate premiums to form a loss reduction fund, the premiums at least  
8 partially contributed by the plurality of holders;

9           code to determine losses incurred by the plurality of holders at a predetermined  
10 time; and

11           code to reimburse at least a portion of the losses incurred by the plurality of  
12 holders, wherein reimbursement to a particular investment instrument holder is at least

13 partially determined by the loss of the particular holder, with consideration for losses of  
14 the plurality of holders.

1           33. A method for creating a loss reduction fund, the method comprising:  
2           defining an investment category for the fund;  
3           associating a plurality of investment instruments with the investment category;  
4           and  
5           calculating premiums for each investment instrument, the premiums held by the  
6 fund and at least partially used to reimburse losses of the investment instruments.

1           34. A method according to claim 33, further comprising creating a pool of a  
2 plurality of loss reduction funds.

1           35. A method according to claim 34, wherein a fund in the pool of loss  
2 reduction funds includes investment instruments within the same or related investment  
3 categories.

1           36. A method according to claim 34, wherein the funds in the pool of loss  
2 reduction funds have different reimbursement terms.

1           37. Computer executable software code transmitted as an information signal,  
2 the code for creating a loss reduction fund, the code comprising:  
3           code to define an investment category for the fund;  
4           code to associate a plurality of investment instruments with the investment  
5 category; and

6 code to calculate premiums for each investment instrument, the premiums held by  
7 the fund and at least partially used to reimburse losses of the investment instruments.

1 38. A computer-readable medium having computer executable software code  
2 stored thereon, the code for creating a loss reduction fund, the code comprising:  
3 code to define an investment category for the fund;  
4 code to associate a plurality of investment instruments with the investment  
5 category; and

6 code to calculate premiums for each investment instrument, the premiums held by  
7 the fund and at least partially used to reimburse losses of the investment instruments.

1 39. A programmed computer for creating a loss reduction fund, comprising:  
2 a memory having at least one region for storing computer executable program  
3 code; and  
4 a processor for executing the program code stored in the memory; wherein the  
5 program code comprises:

6 code to define an investment category for the fund;  
7 code to associate a plurality of investment instruments with the investment  
8 category; and  
9 code to calculate premiums for each investment instrument, the premiums held by  
10 the fund and at least partially used to reimburse losses of the investment instruments.

1 40. A method for allocating funds from a loss reduction fund, the method  
2 comprising:  
3 determining respective losses of a plurality of investment instruments;

4           determining funds available in the loss reduction fund;  
5           calculating a loss threshold; and  
6           allocating funds from the loss reduction fund according to the threshold.

1           41.     A method according to claim 40, wherein calculating a loss threshold  
2 further comprises:

3           calculating a loss reimbursement percentage by dividing funds available by the  
4 total of the respective losses; and  
5           setting the loss threshold according to the loss reimbursement percentage.

1           42.     A method according to claim 40, wherein calculating a loss threshold  
2 further comprises:

3           calculating a loss reimbursement percentage that will compensate losses greater  
4 than the loss reimbursement percentage; and  
5           setting the loss threshold according to the loss reimbursement percentage.

1           43.     A method according to claim 40, wherein calculating a loss threshold  
2 further comprises:

3           calculating a loss reimbursement percentage that will compensate losses less than  
4 the loss reimbursement percentage; and  
5           setting the loss threshold according to the loss reimbursement percentage.

1           44.     A method according to claim 40, wherein losses below the threshold are  
2 not compensated.

1           45.     A method according to claim 40, wherein losses above the threshold are  
2     not compensated.

1           46.     A method according to claim 40, further comprising allocating risk  
2     through risk capital allocation.

1           47.     A method according to claim 40, further comprising redistributing profit.

1           48.     A method for allocating funds from a loss reduction fund, the method  
2     comprising:

3                 determining respective losses of a plurality of investment instruments;  
4                 determining funds available in the loss reduction fund;  
5                 calculating a loss reimbursement percentage that will compensate losses greater  
6     than the loss reimbursement percentage;  
7                 setting a loss threshold according to the loss reimbursement percentage; and  
8                 allocating funds from the loss reduction fund for losses greater than the threshold.

1           49.     A method for allocating funds from a loss reduction fund, the method  
2     comprising:  
3                 determining respective losses of a plurality of investment instruments;  
4                 determining funds available in the loss reduction fund;  
5                 calculating a loss reimbursement percentage that will compensate losses less than  
6     the loss reimbursement percentage;  
7                 setting a loss threshold according to the loss reimbursement percentage; and  
8                 allocating funds from the loss reduction fund for losses less than the threshold.

1           50. Computer executable software code transmitted as an information signal,  
2 the code for allocating funds from a loss reduction fund, the code comprising:  
3           code to determine respective losses of a plurality of investment instruments;  
4           code to determine funds available in the loss reduction fund;  
5           code to calculate a loss threshold; and  
6           code to allocate funds from the loss reduction fund according to the threshold.

1           51. A computer-readable medium having computer executable software code  
2 stored thereon, the code for allocating funds from a loss reduction fund, the code  
3 comprising:  
4           code to determine respective losses of a plurality of investment instruments;  
5           code to determine funds available in the loss reduction fund;  
6           code to calculate a loss threshold; and  
7           code to allocate funds from the loss reduction fund according to the threshold.

1           52. A programmed computer for allocating funds from a loss reduction fund,  
2 comprising:  
3           a memory having at least one region for storing computer executable program  
4 code; and  
5           a processor for executing the program code stored in the memory; wherein the  
6 program code comprises:  
7           code to determine respective losses of a plurality of investment instruments;  
8           code to determine funds available in the loss reduction fund;  
9           code to calculate a loss threshold; and

10 code to allocate funds from the loss reduction fund according to the threshold.

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